

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 454/Coch/2023
Assessment Year: 2014-15**

The Tea Trade Association of Cochin
Tea Trade Centre, IG Road
Willingdon Island, Kochi 682003
[PAN: AA ACT8756B]

..... Appellant

Vs.

DCIT (Exemption)
C.R. Building, I.S. Press Road
Kochi 682018

..... Respondent

Appellant by: Shri Thomson Thomas, CA
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 09.12.2024
Date of Pronouncement: 09.12.2024

ORDER

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 28.04.2023 for Assessment Year (AY) 2014-15.

2. Brief facts of the case are that the assessee is a company registered under the provisions of section 25 of the Companies Act, 1956. It is also duly registered u/s. 12A of the Income Tax Act, 1961 (the Act). The return of income for AY 2014-15 was filed on 27.09.2014 claiming exemption u/s. 11 of the Act. The said return of income was processed u/s. 143(1) of the Act vide

intimation dated 14.01.2016 wherein the excess of income over the amount spent for charitable purposes was brought to tax.

3. Being aggrieved, an appeal was filed before the CIT(A), contending that the income of the assessee was exempt on the principles of mutuality. However the said contention was rejected by the CIT(A) by this impugned order by holding that the claim made by the assessee is incorrect, therefore, the CPC was justified in bringing the unspent amount for charitable purpose to tax.

4. Being aggrieved, the assessee is in appeal before the Tribunal. The learned counsel for the assessee contended before me that the CPC ought not have brought to tax the excess income of over the amount spent for charitable purposes to tax, in view of the fact that the income earned by the assessee is exempt from tax on the principles of mutuality.

5. On the other hand, the learned Sr. DR submits that no interference by the Tribunal is warranted as the CPC was justified in bringing to tax the income over the amount spent for charitable purpose to tax. The CPC cannot travel beyond the return of income and accompanying documents while processing the return of income u/s. 143(1) of the Act.

6. I heard the rival contentions of both the parties and perused the material available on record. Undoubtedly the assessee company and a charitable institution duly registered u/s. 25 of the Companies Act and also u/s. 12A of the Act. During the previous year relevant to the assessment year under consideration the assessee earned income of Rs. 20,13,380/-, out of which an amount of Rs.13,90,223/- was spent for charitable purposes. The balance

amount of Rs. 6,23,157/- was brought to tax while processing the return of income u/s. the provisions of section 143(1) of the Act. It is the contention of the assessee that the balance amount of Rs. 6,23,157/- cannot be brought to tax as the same was exempt from tax on the principles of mutuality. The processing of return of income u/s. 143(1) of the Act is not an assessment procedure. It is a mere process of determination of tax liability based on the information contained in the return of income and accompanying documents.

7. Further the CPC cannot travel beyond the return of income and accompanying documents and information, while processing the return of income u/s. 143(1) of the Act. Therefore, no new claim can be allowed by the CPC while processing the return of income under the provisions of section 143(1) of the Act. If and assessee intends to seek a larger relief than claimed in the return of income, the only recourse available to the assessee is to file a revised return of income as stipulated under the provisions of the Act. Therefore, in the light of the above discussion I do not find any merit in the grounds of appeal filed by the assessee.

8. In the result, the appeal filed by the assessee stands dismissed.

Order pronounced in the open court on 9th December, 2024

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 9th December, 2024

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin